No. 95-728

In The Supreme Court of the United States

October Term, 1995

Warner-Jenkinson Company, Inc.,
Petitioner,

v.

Hilton Davis Chemical Co.,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

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REPLY BRIEF FOR PETITIONER

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REPLY BRIEF FOR PETITIONER

Nothing in respondent's brief in opposition weakens the compelling reasons for granting the petition in this case. *First*, the question presented is of "fundamental importance . . . in virtually all patent litigation" (Amer. Int. Prop. L. Ass'n Br. 8), as infringement under the doctrine of equivalents is now asserted as a routine second cause of action (beyond literal infringement) in most patent infringement actions. *See* Pet. 16. This Court, however, has not addressed this basic question of patent law since *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605 (1950), decided before the current patent statute was enacted. And the issue, like the related (but different) issue presented in *Markman v. Westview Instruments, Inc.*, No. 95-26 (oral argument scheduled for Jan. 8, 1996), goes to the heart of the patent system's commitment to requiring precisely defined and known

boundaries to the legal monopolies from which patentees may exclude the world for 17 or more years. *See* 35 U.S.C. § 154.[1]

Second, this is not one of the ordinary cases where the Federal Circuit's "special expertise" entitles it to "special deference" in its independent resolution of routine patent-law issues. Br. in Opp. 19, 18. Not only is the issue very far from routine, but the Federal Circuit plainly did not feel free to apply its expertise to give thorough consideration to all aspects of the issue. Rather, over vigorous dissents pointing out the deep problems of uncertainty generated by a broad doctrine of equivalents, the majority of the Federal Circuit, far from denying these problems, simply concluded that it was compelled to reach its holding by its understanding of this Court's decision in *Graver*. *See* Pet. 19-21. This Court should accept what amounts to an invitation from the Federal Circuit to review the doctrine, particularly because the decision in *Graver* does not bear the weight assigned to it by the court below, *i.e.*, does not properly compel the broad doctrine of equivalents under the 1952 Patent Act. *See, e.g.*, Pet. 26-27; D. Chisum, *Patents* § 18.02[2], at 18-14 to 18-15 (1995).[2]

[1] The outcome in *Markman* is not controlling here, for whoever (judge or jury) decides issues of claim interpretation, the question remains whether, as the Federal Circuit majority concluded, infringement protection extends a patent monopoly *beyond* the claims (as interpreted) to some area found by a jury to be "substantially" equivalent. But the cases are obviously related, because this case involves the second step (after interpretation of the claim itself) in determining the legally protected scope of each patent monopoly. And the patent system's policy of clear notice of distinct boundaries can, of course, be defeated at either step. This case thus is a natural companion to *Markman*. *See also* Pet. App. 123a n.21 (Nies, J., dissenting).

[2] Contrary to respondent's suggestion (Br. in Opp. 19), the argument that *Graver* is not controlling today (expressly passed on by the Federal Circuit, *e.g.*, Pet. App. 27a-28a) is properly before this Court. The Court may consider any argument in support of the single claim that the doctrine of equivalents provides no valid ground for imposing infringement liability on petitioner in favor of respondent. *See Yee v. City of Escondido*, 112 S. Ct. 1522, 1532 (1992) (any argument in support of claim is available). And the Court may consider an issue that "the court below passed on," particularly if the issue is "in a state of evolving definition and uncertainty" and "one of importance to the administration of federal law." *Virginia Bankshares, Inc. v. Sandberg*, 501 U.S. 1083, 1099 n.8 (1991) (internal quotation marks omitted).

We note, too, that although respondent tries to portray the facts otherwise (*e.g.*, Br. in Opp. 5, 7, 17), the jury rejected the claim of willful infringement, and the Federal Circuit repeatedly pointed to the evidence of petitioner's independent development of its process. *See* Pet. App. 5a, 18a-21a, 167a, 168a.

Third, given the long-recognized doubts about the meaning of *Graver* for this fundamental question of patent law, the doctrine of equivalents has been anything but "uncontroversial" (Br. in Opp. 9, 15), and respondent is wrong in asserting that a broad doctrine like the majority's below has been applied "without apparent concern" (*id.* at 12) and "consistently" (*id.* at 19) by the lower courts. Rather, as proved by the very need of the Federal Circuit to grant *en banc* review of the doctrine for the second time in a decade (*see Pennwalt Corp. v. Durand-Wayland, Inc.*, 833 F.2d 931, 934-35 (Fed. Cir. 1987), *cert. denied*, 485 U.S. 961, 1009 (1988)), there has long been "considerable debate and uncertainty" about the doctrine.[3] Though "once thought to be a narrow doctrine," [4] it has been the subject of expansion, contraction, refinement, interpretation, and questioning since the Federal Circuit was created. *See* Pet. 16-17 & n.16.[5]

[3] Glitzenstein, *A Normative and Positive Analysis of the Scope of the Doctrine of Equivalents*, 7 Harv. J. L. & Tech. 281, 301 (1994).

[4] Adelman & Francione, *The Doctrine of Equivalents in Patent Law: Questions that* Pennwalt *Did Not Answer*, 137 U. Pa. L. Rev. 673, 699 (1989).

[5] *See, e.g.*, D. Chisum, *Patents* § 18.04, at 18-73 to 18-150 (1995); *Hughes Aircraft Co. v. United States*, 717 F.2d 1351 (Fed. Cir.

Naturally, the judiciary's (and litigants') struggles with this "fuzzy" doctrine grew ever more urgent as the number of cases invoking the doctrine, and number of jury trials, increased dramatically.[6] Far from being comfortably well-established, any broadly available infringement liability under the doctrine of equivalents has long provoked deep divisions, as reflected in the 7-5 split among the judges of the Federal Circuit in this case.

Fourth, the Federal Circuit majority's broad doctrine carries with it the very problems described by respondent (Br. in Opp. 10): "weakened conceptual underpinnings, irreconcilable competing legal doctrines or policies, inherent confusion created by an unworkable decision, direct obstacles to important objectives in other laws, or inconsistency with sense of justice or social welfare." Most fundamentally, the core statutory commitment to precise notice of the extent of each patent monopoly—so that businesses and other inventors may know where not to

1983); *Texas Instruments, Inc. v. United States Int'l Trade Comm'n*, 805 F.2d 1558 (Fed. Cir. 1986); *Perkin-Elmer Corp. v. Westinghouse Electric Corp.*, 822 F.2d 1528 (Fed. Cir. 1987); *Pennwalt, supra; Lear Siegler, Inc. v. Sealy Mattress Co.*, 873 F.2d 1422 (Fed. Cir. 1989); *London v. Carson Pirie Scott & Co.*, 946 F.2d 1534 (Fed. Cir. 1991); *Malta v. Schulmerich Carillons, Inc.*, 952 F.2d 1320 (Fed. Cir. 1991); Smith, *The Federal Circuit's Modern Doctrine of Equivalents in Patent Infringement*, 29 Santa Clara L. Rev. 901, 902 (1989) ("The Federal Circuit's views on the doctrine of equivalents are of profound importance not only to patent lawyers, but also to the business community. The Federal Circuit is presently unable to express a coherent view on the doctrine of equivalents.") (footnote omitted).

[6] *See* Moorhead, *The Doctrine of Equivalents: Rarely Actionable Non-Literal Infringement or the Second Prong of Patent Infringement Charges?*, 53 Ohio St. L.J. 1421, 1432 (1992); AIPLA Br. 3; Seagate Br. 2. A Westlaw search shows that district court decisions using the phrase "doctrine of equivalents" increased from 286 in the 30 year period, 1950-1980, to 596 in 1981-present. The figures for the courts of appeals (reflecting a comparable quadrupling of the rate) are 186 for 1950-1980 and 351 for 1981-present.

tread—is deeply inconsistent with the Federal Circuit's broad allowance of jury-determined "substantial" equivalents. *See* Pet. 22-25.[7] Strikingly, in all of its defense of a broad doctrine, respondent never once quotes the critical statutory directive embodying that commitment through the requirement of precise claiming, 35 U.S.C. § 112 (paragraph 2).

More generally, respondent nowhere shows how to reconcile the Federal Circuit's broad equivalents doctrine with the requirement of distinct claims approved after administrative scrutiny; with the express (and carefully protective) provisions for reissues to permit correction where claims are mistakenly too narrow, 35 U.S.C. §§ 251-52; and with the provision for "equivalence" as part of the patent monopoly in certain limited circumstances, 35 U.S.C. § 112 (paragraph 6).[8] Nor does respondent's brief allay

[7] Judge Learned Hand recognized long ago that a broad doctrine "violates in theory the underlying and necessary principle that the disclosure is open to the public save as the claim forbids, and that it is the claim and that alone which measures the monopoly." *Claude Neon Lights, Inc. v. E. Machlett & Son*, 36 F.2d 574, 575 (2d Cir. 1929), *cert. denied*, 281 U.S. 741 (1930). *See also* D. Chisum, *supra*, § 18.04[1][a][i], at 18-74 to 18-90; *Texas Instruments*, 805 F.2d at 1572 ("The determination of equivalency by its nature is inimical to the basic precept of patent law that the claims are the measure of the grant."). Not surprisingly, then, virtually all of the decisions from this Court cited by respondents (Br. in Opp. 9 & n.10) long pre-date *Graver* and come from the era of "central" claiming. *See* Hantman, *Doctrine of Equivalents*, 70 J. Pat. & Trademark Off. Soc'y 511, 533 (1988) (in the decades before *Graver*, doctrine of equivalents was rarely if ever applied to *expand* protection beyond claim terms).

[8] Respondent revealingly acknowledges that the Federal Circuit's doctrine of equivalents treats patent law as if it were analogous to copyright law (Br. in Opp. 29), but there are at least two decisive differences: first, a patent claim must be given a government-approved precise definition at its inception, whereas a copyright is self-created and not precisely defined upon creation; second, under the Federal Circuit's and respondent's view (*id.* at 26-27), infringement of a patent requires no proof of intentional copying, whereas copyright infringement does. *See* Pet. 22

the central, real-world concern about the gross uncertainty engendered by a doctrine making infringement liability turn on whether a particular jury determines whether differences between two products or processes are "substantial"—an uncertainty magnified by the now-pervasive role of juries in patent-infringement actions. *See* Glitzenstein, *supra*, at 307 ("The Federal Circuit . . . can offer no guidance for determining if the equivalence between two elements is substantial.") (footnote citing *Malta*, 952 F.2d at 1326).[9] Judge Newman, one of the judges who concurred in the majority opinion, expressly recognized this: "the court's decision today provides no more certainty than did the 1950 decision in *Graver Tank*, leaving in place the problems of application of the doctrine that have concerned this court." Pet. App. 45a.

Respondent makes an extended policy argument on the merits, to the effect that a broad doctrine of equivalents is needed to spur innovation. Br. in Opp. 14-17. But, as an initial matter, the inquiry is misfocused: the proper question is what policy is consistent with Congress's decisions in the 1952 Act, including its insistence on precise claiming that would give distinct notice of the extent of the legal monopoly, its tying of infringement to the patent claims, and its specific provisions for corrections

n.22. Whereas in copyright law it is inevitable (for the first reason) and fair (for the second) for infringement litigation to be the primary means for defining the precise scope of protected rights, in patent law it is neither inevitable nor fair.

[9] Larson, *Balancing the Competing Policies Underlying the Doctrine of Equivalents in Patent Law*, 21 AIPLA Q.J. 1,10-11 (1992) ("In the experience of the author, if an infringement issue requires consideration of the doctrine of equivalents, practicing lawyers find it extremely difficult, if not impossible, to predict whether a particular product will be found infringing by a court. The Federal Circuit has acknowledged that one who attempts to design around a patent rarely knows whether he is infringing until a district court has decided the issue. Since a violation of patent rights carries serious consequences, the existing state of the law creates uncertainty for manufacturers who compete in product lines protected by patents.") (footnotes omitted).

by reissue and for certain "equivalents" claims. *See* Pet. 21-27. And, in any event, respondent itself recognizes that innovation vitally depends on inventors' ability to "design around" existing patents, and hence on precisely known boundaries of existing patents. Br. in Opp. 17. It is a mystery how respondent can expect this Court to accept its judgment that the uncertainty inherent in the Federal Circuit's broad doctrine of equivalents—under which juries will decide when "the differences between the claimed and accused products or processes are insubstantial" (Pet. App. 7a)—will better serve to encourage innovation than an infringement standard that enables inventors to place reliance on the publicly available terms of the precise patent claims approved by the Patent and Trademark Office. *See* Seagate Br. 3-4; note 9, *supra*.

In sum, whether *Graver* requires reconsideration or merely an appropriately limited reading to reflect the policies of the 1952 Act (*see* Pet. 27-30), the Federal Circuit's decision adopting a broad doctrine of equivalents, with its pervasive effects on the patent system and thus on innovation, should not be allowed to stand without this Court's review.

CONCLUSION

The petition for a writ of certiorari should be granted.

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